

Economic Trends Affecting Travel & Travel Marketing

§ The travel industry is growing amidst a shrinking labor pool, creating a labor shortage and competition for qualified employees.

§ Travel and tourism was the nation's third largest private employer in 1997 after health services and business services, with a direct total employment of more than 7 million. In 1997, travel and tourism was also the third largest retail segment by dollar volume in the U.S. following automotive dealers and food stores.

§ Total jobs generated by the travel and tourism industry have increased 30 percent over the past ten years, faster than the 17 percent growth in non-agricultural employment in the U.S. The gap in hourly wages has narrowed to 98 cents between service sector jobs and the traditionally higher paying manufacturing jobs according to the Bureau of Labor Statistics.

§ In the U.S., more than 650,000 executive positions exist in travel and tourism and are increasing at a faster rate than employment in the overall economy. The entry-level jobs provided by the hospitality industry are key to preparing young adults for the future by teaching them workplace skills and financing their education.

§ Lifestyle and this country's changing demographics mean that people are looking for leisure travel experiences that offer the collective activities and family togetherness. The continuing prevalence of households in which both parents work and single-parent households means people are taking more frequent, shorter vacations, closer to home.

§ In the 1990s, tourism organizations began to make a heavy investment in technology. DMOs are becoming one-stop shops for agent services like direct reservations and ticketing. The presence of the Internet has already changed the way we all buy travel services. In addition, more travel programming is being shown on television and trips are being sold on home shopping networks, new travel channels, and on on-line auctions.

§ The globalization that technology has created ever increasing market share battles. Improvements in communications and the availability and affordability of long haul travel means destinations that could once rely on proven geographic markets for business must now compete with destinations half a world away.

Transportation infrastructure in the United States is aging. Gasoline and airline taxes initially earmarked for transportation improvements are being diverted to offset the budget deficit.